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DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-913]

Certain New Pneumatic Off-the-Road Tires from the People's Republic of China: Final Results of Countervailing Duty Administrative Review; 2015

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: On October 6, 2017, the Department of Commerce (Commerce) published the preliminary results of the administrative review of the countervailing duty order on certain new pneumatic off-the-road tires (OTR Tires) from the People's Republic of China (China). In the final results, Commerce has made changes to the subsidy rates that were preliminary determined for Guizhou Tyre for the period of review (POR) from January 1, 2015, through December 31, 2015.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Chien-Min Yang or Jun Jack Zhao, AD/CVD Operations, Office VII, Enforcement and Compliance, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-5484 or (202) 482-1396.

Background

Commerce published the preliminary results of the administrative review of the countervailing duty order on certain new pneumatic off-the-road tires (OTR Tires) from China

on October 6, 2017.<sup>1</sup> In this review we individually examined two companies as mandatory respondents: Guizhou Tyre Co., Ltd. (Guizhou Tyre) and Xuzhou Xugong Tyres Co., Ltd. (Xuzhou Xugong). The period of review (POR) is January 1, 2015, through December 31, 2015. In the *Preliminary Results* we preliminarily applied total adverse facts available with regard to Xuzhou Xugong after it withdrew from participating in this review.<sup>2</sup> No interested party commented on Commerce's preliminary determination with respect to Xuzhou Xugong. Accordingly, our determination remains unchanged for these final results. However, based on an analysis of the comments received, Commerce has made certain changes to the subsidy rates that were preliminary determined for Guizhou Tyre. The final subsidy rates are listed in the "Final Results of Administrative Review" section below.

Commerce exercised its discretion to toll all deadlines affected by the closure of the Federal Government from January 20 through 22, 2018. Accordingly, the revised deadline for the final results of this review was tolled to April 9, 2018.

#### Scope of the Order

The products covered by the scope are new pneumatic tires designed for off-the-road (OTR) and off-highway use. The subject merchandise is currently classifiable under Harmonized Tariff Schedule of the United States ("HTSUS") subheadings: 4011.20.10.25, 4011.20.10.35, 4011.20.50.30, 4011.20.50.50, 4011.70.0010, 4011.62.00.00, 4011.80.1020, 4011.90.10, 4011.70.0050, 4011.80.1010, 4011.80.1020, 4011.80.2010, 4011.80.2020, 4011.80.8010, and 4011.80.8020. While HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope, which is contained in the accompanying

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<sup>1</sup> See *Certain New Pneumatic Off-The-Road Tires from the People's Republic of China: Preliminary Results of Countervailing Duty Administrative Review*; 2015, 82 FR 46754 (October 6, 2017) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum (PDM).

<sup>2</sup> See PDM at 7-8.

Issues and Decision Memorandum, is dispositive.<sup>3</sup>

#### Analysis of Comments Received

The issues raised by Guizhou Tyre, the Government of the People's Republic of China (GOC), and Titan Tire Corporation (Titan) and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO-CLC (the USW) (collectively, the Petitioners) in their case and rebuttal briefs are addressed in the Issues and Decision Memorandum.<sup>4</sup> The issues are identified in the Appendix to this notice. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov> and in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly on the Internet at <http://trade.gov/enforcement/frn/index.html>. The signed Issues and Decision Memorandum and electronic versions of the Issues and Decision Memorandum are identical in content.

#### Changes Since the Preliminary Results

Based on the comments received from all interested parties, we have made revisions to some of our benefit calculations for Guizhou Tyre. For a discussion of these issues, see the Issues and Decision Memorandum.

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<sup>3</sup> For a full description of the scope of the order, *see* Memorandum from James Maeder, Associate Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations performing the duties of Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Gary Taverman, Deputy Assistant Secretary for Enforcement and Compliance performing the duties of Assistant Secretary for Enforcement and Compliance, "Issues and Decision Memorandum for the Final Results in the Countervailing Duty Review of Certain New Pneumatic Off-the-Road Tires from the People's Republic of China; 2015," dated concurrently with this notice and herein incorporated by reference (Issues and Decision Memorandum).

<sup>4</sup> *See Issues and Decision Memorandum* at 9-14.

## Methodology

Commerce conducted this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs we found to be countervailable, we determined that there is a subsidy, *i.e.*, a government-provided financial contribution that gives rise to a benefit to the recipient, and that the subsidy is specific.<sup>5</sup> For a description of the methodology underlying all of Commerce's conclusions, see the Issues and Decision Memorandum.

## Final Results of Administrative Review

In accordance with 19 CFR 351.221(b)(5), we determined a countervailable subsidy rate for the period January 1, 2015, through December 31, 2015, for Guizhou Tyre, and a rate based on total AFA for Xuzhou Xugong. For the companies for which a review was requested but not selected for individual examination as mandatory respondents and which we are not finding to be cross-owned with the mandatory company respondents, we followed Commerce's practice, pursuant to 705(c)(5)(A)(i) of the Act, which is to base the subsidy rates on an average of the subsidy rates calculated, excluding *de minimis* rates or rates based entirely on adverse facts available.<sup>6</sup> Therefore, we are basing the subsidy rate for the non-selected companies on the subsidy rate calculated for Guizhou Tyre. For a list of these non-selected companies, please see Appendix II to this notice.

We find the countervailable subsidy rates for the producers/exporters under review to be as follows:

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<sup>5</sup> See sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and, section 771(5A) of the Act regarding specificity.

<sup>6</sup> See, e.g., *Certain Pasta from Italy: Preliminary Results of the 13th (2008) Countervailing Duty Administrative Review*, 75 FR 18806, 18811 (April 13, 2010) *unchanged in Certain Pasta from Italy: Final Results of the 13th (2008) Countervailing Duty Administrative Review*, 75 FR 37386 (June 29, 2010).

<b>Manufacturer/Exporter</b>	<b>Subsidy Rate (percent <i>ad valorem</i>)</b>
Guizhou Tyre Co., Ltd./Guizhou Tyre Import & Export Co., Ltd	31.49
Xuzhou Xugong Tyres Co., Ltd.	91.94
Non-Selected Companies Under Review	31.49

#### Assessment and Cash Deposit Requirements

In accordance with 19 CFR 351.212(b)(2), Commerce intends to issue appropriate instructions to U.S. Customs and Border Protection (CBP) 15 days after publication of the final results of this review. Commerce will instruct CBP to liquidate shipments of subject merchandise produced and/or exported by the companies listed above, entered or withdrawn from warehouse, for consumption from January 1, 2015, through December 31, 2015, at the percent rates, as listed above for each of the respective companies, of the entered value.

Commerce intends also to instruct CBP to collect cash deposits of estimated countervailing duties, in the amounts shown above for each of the respective companies shown above, on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits at the most-recent company-specific or all-others rate applicable to the company, as appropriate. These cash deposit requirements, when imposed, shall remain in effect until further notice.

#### Administrative Protective Order

This notice also serves as a final reminder to parties subject to an administrative protective order (APO) of their responsibilities concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3), which continues to

govern business proprietary information in this segment of the proceeding. Timely written notification of the return or destruction of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

These final results are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

*Dated: April 9, 2018.*

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Gary Taverman,  
Deputy Assistant Secretary  
for Antidumping and Countervailing Duty Operations,  
performing the non-exclusive functions and duties of the  
Assistant Secretary for Enforcement and Compliance

## **Appendix I**

### **List of Topics Discussed in the Issues and Decision Memorandum**

- I. Summary
- II. Background
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- IV. Changes Since the Preliminary Results
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- VI. Subsidies Valuation Information
  - A. Allocation Period
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- VIII. Analysis of Programs
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- X. Analysis of Comments
  - Comment 1 Whether Commerce Should Use Guizhou Tyre's Imports as Tier 1 Benchmarks for Synthetic Rubber
  - Comment 2 Whether Certain Benchmarks Used by Commerce in the Preliminary Results Double-Counted Freight and Import Duties
  - Comment 3 Whether Commerce Should Countervail Certain Synthetic Rubber Produced by Certain Foreign Companies
  - Comment 4 Whether Commerce Should Find the Export Buyer's Credit Program Used in This Case
  - Comment 5 Whether the GOC's Import Duty and VAT Exemptions on Imports of Raw Materials Program (Processing Trade Program) is Countervailable
- VIII. Conclusion
- Appendix

## **Appendix II**

### **Non-Selected Companies**

1. Aeolus Tyre Co., Ltd.
2. Air Sea Transport Inc
3. Air Sea Worldwide Logistics Ltd
4. AM Global Shipping Lines
5. Apex Maritime Co Ltd
6. Apex Maritime Thailand Co Ltd
7. BDP Intl LTD China
8. Beijing Kang Jie Kong Intl Cargo Agent Co Ltd
9. C&D Intl Freight Forward Inc
10. Caesar Intl Logistics Co Ltd
11. Caterpillar & Paving Products Xuzhou Ltd
12. CH Robinson Freight Services China LTD
13. Changzhou Kafurter Machinery Co Ltd
14. Cheng Shin Rubber (Xiamen) Ind Ltd
15. China Intl Freight Co Ltd
16. Chonche Auto Double Happiness Tyre Corp Ltd
17. City Ocean Logistics Co Ltd
18. Consolidator Intl Co Ltd
19. Crowntyre Industrial Co. Ltd
20. CTS Intl Logistics Corp
21. Daewoo Intl Corp
22. De Well Container Shipping Inc
23. Double Coin Holdings Ltd; Double Coin Group Shanghai Donghai Tyre Co., Ltd;  
and Double Coin Group Rugao Tyre Co., Ltd. (collectively "Double Coin")
24. England Logistics (Qingdao) Co Ltd
25. Extra Type Co Ltd
26. Fedex International Freight Forwarding Services Shanghai Co Ltd
27. FG Intl Logistics Ltd
28. Global Container Line
29. Honour Lane Shipping
30. Innova Rubber Co., Ltd.
31. Inspire Intl Enterprise Co Ltd
32. JHJ Intl Transportation Co
33. Jiangsu Feichi Co. Ltd.
34. Kenda Rubber (China) Co Ltd
35. KS Holding Limited/KS Resources Limited
36. Laizhou Xiongying Rubber Industry Co., Ltd.
37. Landmax Intl Co Ltd
38. LF Logistics China Co Ltd
39. Mai Shandong Radial Tyre Co., Ltd.
40. Maine Industrial Tire LLC



41. Master Intl Logistics Co Ltd
42. Melton Tire Co. Ltd
43. Merityre Specialists Ltd
44. Mid-America Overseas Shanghai Ltd
45. Omni Exports Ltd
46. Orient Express Container Co Ltd
47. Oriental Tyre Technology Limited
48. Pudong Prime Intl Logistics Inc
49. Q&J Industrial Group Co Ltd
50. Qingdao Aotai Rubber Co Ltd
51. Qingdao Apex Shipping
52. Qingdao Chengtai Handtruck Co Ltd
53. Qingdao Chunangtong Founding Co Ltd
54. Qingdao Free Trade Zone Full-World International Trading Co., Ltd.
55. Qingdao Haojia (Xinhai) Tyre Co.
56. Qingdao Haomai Hongyi Mold Co Ltd
57. Qingdao J&G Intl Trading Co Ltd
58. Qingdao Jinhaoyang International Co. Ltd
59. Qingdao Kaoyoung Intl Logistics Co Ltd
60. Qingdao Milestone Tyres Co Ltd.
61. Qingdao Nexen Co Ltd
62. Qingdao Qihang Tyre Co.
63. Qingdao Qizhou Rubber Co., Ltd.
64. Qingdao Shijikunyuan Intl Co Ltd
65. Qingdao Sinorient International Ltd.
66. Qingdao Taifa Group Imp. And Exp. Co., Ltd./Qingdao Taifa Group Co., Ltd.
67. Qingdao Wonderland
68. Qingdao Zhenhua Barrow Manufacturing Co., Ltd.
69. Rich Shipping Company
70. RS Logistics Ltd
71. Schenker China Ltd
72. Seastar Intl Enterprise Ltd
73. SGL Logistics South China Ltd
74. Shandong Huitong Tyre Co., Ltd.
75. Shandong Linglong Tyre Co., Ltd.
76. Shandong Taishan Tyre Co. Ltd.
77. Shanghai Cartec Industrial & Trading Co Ltd
78. Shanghai Grand Sound Intl Transportation Co Ltd
79. Shanghai Hua Shen Imp & Exp Co Ltd
80. Shanghai Part-Rich Auto Parts Co Ltd

81. Shanghai TCH Metals & Machinery Co Ltd
82. Shantou Zhisheng Plastic Co Ltd
83. Shiyan Desizheng Industry & Trade Co., Ltd.
84. Techking Tires Limited
85. Thi Group (Shanghai) Ltd
86. Tianjin Leviathan International Trade Co., Ltd.
87. Tianjin United Tire & Rubber International Co., Ltd.
88. Tianjin Wanda Tyre Group Co.
89. Tianshui Hailin Import and Export Corporation
90. Tiremart Qingdao Inc
91. Translink Shipping Inc
92. Trelleborg Wheel Systems (Xingtai) China, Co. Ltd.
93. Trelleborg Wheel Systems Hebei Co
94. Triangle Tyre Co. Ltd.
95. Universal Shipping Inc
96. UTI China Ltd
97. Weifang Jintongda Tyre Co., Ltd.
98. Weihai Zhongwei Rubber Co., Ltd.
99. Weiss-Rohlig China Co Ltd
100. World Bridge Logistics Co Ltd
101. World Tyres Ltd.
102. Xiamen Ying Hong Import & Export Trade Co Ltd
103. Xuzhou Xugong Tyres Co Ltd; Xuzhou Armour Rubber Company Ltd.; HK Lande International Investment Limited; Armour Tires Inc. (collectively “Xugong”)
104. Yoho Holding
105. Zhejiang Wheel World Industrial Co Ltd
106. Zhejiang Xinchang Zhongya Industry Co., Ltd.
107. Zhongce Rubber Group Company Limited
108. ZPH Industrial Ltd

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